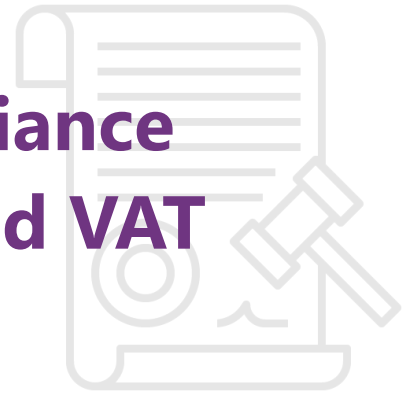# SunTec® GCC VAT Compliance Solution

Proactively ensure compliance by automating end-to-end VAT compliance process

SunTec GCC VAT Compliance Solution is architected to meet the unique needs of banks and financial services firms and can easily integrate with existing IT systems.

With more GCC countries introducing VAT and changing regulatory requirements in countries that have already implemented it, Banks and Financial Institutions need to adopt a proactive approach to ensure compliance. Large number of transactions, multiple exemptions and complex classifications such as the appropriate VAT treatment assigned to services–taxable or exempt, allocating and attributing costs and managing input tax credit claims such as VAT on reverse charge, and VAT recovery methods for general costs that may not be directly allocated make it much more difficult.

Organizations need to deploying a fully automated VAT compliance system that not only complies with all indirect taxation requirements but also offers scalability to quickly adapt to the constantly evolving changes in regulations. Failure to comply would only lead to severe penalties and reputational risk.

SunTec GCC VAT Compliance Solution based on the Xelerate platform helps automate the entire VAT compliance process including centralized rule-based tax determination, tax invoice, input tax recovery, reconciliation, corrections, adjustments, statements, and regulatory reporting. Standard interfaces provide well-established source system data transfer mechanisms with checks and controls to ensure data integrity. The auditing and transactional level drilldown capability provides complete transparency and enhance audit performances.

Benefits

- **Mitigate potential risk** of GCC VAT compliance violations and penalties.

- **Ensure timely return filing** and compliance even with ever-changing and dynamic regulatory tax requirements and rules.

- **Reduce cost of tax compliance** through quicker and accurate tax processing.

- **Demonstrate maturity and transparency** to internal and external auditors, thereby reducing audit efforts.

- **Ensure accurate and real-time visibility** into tax liabilities, revenues, and overall impact on the business.

- **Ensure a robust tax process** with consistent and repeatable tax determination, invoicing and return filing.

- **Eliminate manual intervention** and check all possible errors to ensure a seamless and rapid process.

Features

Centrally Manage All GCC VAT Information

- Pre-configured country codes, currency codes, region/state codes, tax codes, schemes, types, and rules to determine tax parameters and calculation

- Provides automated and manual approaches to maintain customer, vendor, account, and tax registration details.

- Provides a consolidated view and manages tax rules and tax related transactions across multiple business entities.

- Offers real-time visibility on the accurate position related to output tax, input tax credit, adjustments and tax liability.

GCC VAT Invoice Management

- Generates consolidated and transactional level tax invoices at tax registration level, customer level or at the account level.

- Generates credit notes, debit notes, bill of supply, other mandated documents and statements for each customer.

- Provides configurable templates that support multiple languages, currency options, configurable password encryption and digital signature.

- Automatically sends out email invoices to customers.

Automated VAT Determination and Segregation

- Automatically validates transaction type, tax type and jurisdictions and determines exemptions, output tax and input tax to be accounted.

- Provides multiple processing options including processing of charges inclusive and exclusive of tax, and pass-through tax.

- Bifurcates and maintains data for tax, expense and reverse General Ledger for easy tracking and reporting.

- Data validation capabilities automatically identify and flag possible errors, anomalies, non-compliance issues that can be fixed within the taxation period rather than requiring adjustments to the returns.

Adjustments and Refunds

- Supports manual and automatic adjustments for shortfall and refunds through reversals, debit notes and cancellations at the transaction level.

- Initiates refunds including charge and tax refund, charge only refund, and tax only refund.

- Automatically computes overall tax liability after considering adjustments.

Features

Input Tax Credit

- Configurable rules to calculate input tax recoverability based on regulatory mandates for partial input tax credit.

- Manually override system calculated input tax credit, for specific purchases.

- Simulate multiple scenarios before finalizing input tax claim to ensure accuracy in claims.

VAT Regulatory Reporting

- Automatically upload returns at the individual tax registration or group registration level based on country specific filing formats, at predefined intervals.

- Review and approve returns before uploading it to the regulator portal.

- Ensure data validation checks to ensure that there are no errors or compliance issues.

Reconciliation

- Reconcile General Ledger balance on a daily, weekly, monthly or periodic basis for output tax, input tax accounting and input tax credit.

- Reconcile purchase register invoices uploaded in the system vis-a-vis reporting done by the vendors to arrive at the eligible input tax claim.

- Automatically download information from the regulator portal, perform invoice reconciliation and flag off invoice-wise match-mismatch details in different buckets, with force matching facility as allowed by the rules.

- Facility to conduct manual reconciliation of input transactions against processed details through standard MIS reports.

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